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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

KRISTIN K. MAYES - Chairman

MAY - 5 2009

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF
NORTHERN SUNRISE WATER COMPANY
FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

IN THE MATTER OF THE APPLICATION OF
SOUTHERN SUNRISE WATER COMPANY
FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

IN THE MATTER OF THE JOINT APPLICATION
OF NORTHERN SUNRISE WATER COMPANY
AND SOUTHERN SUNRISE WATER COMPANY
FOR THE APPROVAL OF SALE AND
TRANSFER OF WATER UTILITY ASSETS,
AND CANCELLATION OF CERTIFICATES
OF CONVENIENCE AND NECESSITY, FOR
MIRACLE VALLEY WATER COMPANY,
COCHISE WATER COMPANY, HORSESHOE
RANCH WATER COMPANY, CRYSTAL WATER
COMPANY, MUSTANG WATER COMPANY,
CORONADO ESTATES WATER COMPANY,
AND SIERRA SUNSET WATER COMPANY,
LOCATED IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251
W-20454A-06-0251
W-01646A-06-0251
W-01868A-06-0251
W-02235A-06-0251
W-02316A-06-0251
W-02230A-06-0251
W-01629A-06-0251
W-02240A-06-0251

DECISION NO. 70985

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 68826

Open Meeting
April 28 & 29, 2009
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the

1 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

2 **FINDINGS OF FACT**

3 **Procedural History**

4 1. In Decision No. 68826 (June 29, 2006) the Commission approved the joint application
5 of Northern Sunrise Water Company ("NSWC") and Southern Sunrise Water Company ("SSWC")
6 (collectively "Applicants") for a Certificate of Convenience and Necessity ("CC&N") to provide
7 water utility service in Cochise County as well as the sale and transfer of water utility assets and
8 cancelation of the CC&Ns of Miracle Valley Water Company, Inc., Cochise Water Co., Horseshoe
9 Ranch Water Company, Crystal Water Company, Mustang Water Company, Coronado Estates Water
10 Company and Sierra Sunset Water Company (collectively "McLain Water Systems").

11 2. Decision No. 68826 ordered, *inter alia*, the Applicants to make certain system
12 improvements by August 28, 2007, and to file a rate case in 2008 using a 2007 test year.

13 3. On May 30, 2007, the Applicants filed a Motion for extension of time to complete the
14 system improvements until February 19, 2008, and to file a rate case no later than December 31,
15 2008, utilizing a June 30, 2008 test year.

16 4. By Procedural Order dated August 16, 2007, Applicant's Motion for extension of time
17 was granted.

18 5. On February 14, 2008, the Applicants filed a second Motion for extension of time to
19 complete the system improvements until December 31, 2008, and to file a rate case no later than
20 April 1, 2009, utilizing a December 31, 2008, test year.

21 6. By Procedural Order dated April 21, 2008, the second Motion was granted.

22 7. Applicants subsequently completed all of the required system improvements.

23 8. On February 23, 2009, Applicants filed a third Motion for extension of time to file a
24 rate case until no later than August 31, 2009. Applicants state that they are requesting the extension
25 in order to file the NSWC and SSWC rate cases concurrently with an upcoming rate case filing for
26 Bella Vista Water Company ("BVWC"), an affiliated, and neighboring water company. The parent
27 of BVWC and NNSW and SSWC is seeking to eventually consolidate the three companies into a
28 single service provider and believes that utilizing the same filing date and test year for all three would

1 be beneficial.

2 9. On March 12, 2009, Intervenor Stephen Cockrun filed a Response to the Applicants
3 request for more time. Mr. Cockrun has no objection to the granting of the request, but expressed
4 doubts that the consolidation of the three companies would be in the long-term public interest. Mr.
5 Cockrun advocates that the applications for general rates should be separate from any application for
6 consolidation. However, he does not object to a concurrently filed application for consolidation.

7 10. On April 3, 2009, the Commission's Utilities Division ("Staff") filed a Memorandum
8 in Response to the Applicants' third Motion for extension. Staff states it does not object to the
9 Applicants' request to file the rate case no later than August 31, 2009, utilizing a March 31, 2009 test
10 year. Staff states further that it desires to make certain that NSWC and SSWC provide all required
11 information utilizing the March 31, 2009, test year, so that the most current information is filed in the
12 rate case. Staff recommends that the rate case filing, utilizing a March 31, 2009 test year, not be
13 made sufficient if any of the comparative years utilized in the rate case filing do not also utilize a
14 March 31st year end.

15 11. Staff further recommends that no further time extensions be granted in this matter.

16 12. On April 14, 2009, Applicants filed a Response to Staff Report, stating that it will not
17 be possible to file two comparative years endings March 31, as Staff recommends because there are
18 no records prior to Applicants' acquisition of the former McLain Water Systems. Applicants state
19 further that the problem would exist even if a December 31, 2008 test year was utilized and no
20 extension of time granted. Applicants request that Staff's recommendation be modified to require the
21 use of one comparative year ending March 31.

22 13. Staff's recommendations are reasonable. Staff's recommendation does not preclude
23 Applicants from filing rate applications utilizing only one complete comparative year if that is all that
24 is available.

25 14. The Applicants' request for another extension of time to file a rate case for the NSWC
26 and SSWC will not prejudice ratepayers, and should be granted.

27 15. In granting this extension request, nothing herein affects any future application for
28 consolidation of these affiliated water companies.

CONCLUSIONS OF LAW

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2 1. NSWC and SSWC are public service corporations within the meaning of Article XV
3 of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

4 2. The Commission has jurisdiction over NSWC and SSWC and the subject matter of the
5 request.

6 3. The requested extension of time is reasonable and should be approved.

ORDER

7
8 IT IS THEREFORE ORDERED that the deadline for Northern Sunrise Water Company and
9 Southern Sunrise Water Company to file rate cases, as required in Decision No. 68826, is extended to
10 August 31, 2009, utilizing a test year end of March 31, 2009.

11 IT IS FURTHER ORDERED that in order for the rate cases filed pursuant to this Order to be
12 found sufficient under Commission rules, Northern Sunrise Water Company and Southern Sunrise
13 Water Company must utilize a March 31st year end for any complete comparative year utilized in the
14 rate case filings.

15 IT IS FURTHER ORDERED that all other provisions of Decision No. 68826 shall remain in
16 effect.

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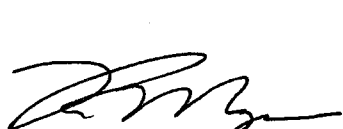

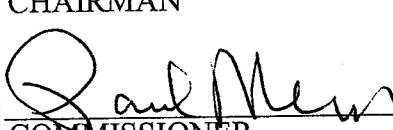

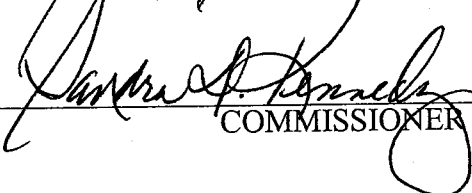
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1 IT IS FURTHER ORDERED that no additional extensions of time shall be granted absent
2 extraordinary circumstances.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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6 
CHAIRMAN
7  COMMISSIONER
8  COMMISSIONER
9  COMMISSIONER
10  COMMISSIONER

11 IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim
12 Executive Director of the Arizona Corporation Commission,
13 have hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 his 5TH day of MAY, 2009.

16 
17 MICHAEL P. KEARNS
18 INTERIM EXECUTIVE DIRECTOR

19 DISSENT _____

20 DISSENT _____

SERVICE LIST FOR:

NORTHERN SUNRISE WATER COMPANY and SOUTHERN
SUNRISE WATER COMPANY

DOCKET NOS.:

W-20453A-06-0247; W-20454A-06-0248; W-20453A-06-0251;
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W-02235A-06-0251; W-02316A-06-0251; W-02230A-06-0251;
W-01629A-06-0251; and W-02240A-06-0251

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